Gas rates for January 2017 based on fluctuation in gas resource cost and adjustment of gas rates (Tokyo District, etc.)

Tokyo Gas Co., Ltd.

In accordance with the provisions for gas rate adjustment system, Tokyo Gas has set the unit commodity charge for meter readings in January 2017 upward by 1.14 yen per cubic meter (45MJ, tax included) relative to the corresponding charge for meter readings in December 2016.

The adjustments are made based on average resource costs in August 2016- October 2016.

With these adjustments, for meter readings during January 2017 of the standard household consuming 32m3(45MJ/month) in the Tokyo district, etc., the monthly gas tariff will increase by 37 yen (tax included) from that of December 2016 (previous month).

1. Supply contract rate

(Application of rate schedule $A \sim F$ as appropriate for the amount of gas use in the month in question)

	Rate A	Rate B	Rate C	Rate D	Rate E	Rate F
Monthly consumption	0 to	21 to	81 to	201 to	501 to	over 801
volume	$20m^3$	80 m^3	200 m^3	500 m^3	800 m^3	m^3
Basic charge (yen/month)	745.20	1,036.80	1,209.60	1,857.60	6,177.60	12,225.60
Commodity charge(yen/m3)	124.90	110.32	108.16	104.92	96.28	88.72
<reference> Commodity charge (yen/m3) December 2016</reference>	123.76	109.18	107.02	103.78	95.14	87.58

*Calculated based on 8% tax

2. Effect on a standard customer in residential sector

yen/month Charge applied for Monthly consumption Charge applied for volume of 32 cubic December 2016 January 2017 Change meters(45MJ/m3) (tax included) (tax included) Including the national 4,530 37 4,567 consumption tax

*The volume of standard household is calculated based on the average of 5years (FY2006-2010) usage per household per month.

3. Fluctuation in gas resource prices

			ye	n/ton
		Jul. 2016- Sep. 2016	Aug. 2016- Oct. 2016	Difference
Standard average gas resource price (1)		57,2		
Average gas resource price (2)		35,650	36,910	1,260
	LNG	35,540	36,900	1,360
	LPG	35,960	35,410	-550
Difference (2) - (1)		-21,600	-20,300	1,300

Note: Both LNG and LPG prices are based on customs clearance statistics.

: "Difference(2)-(1)" are rounded down to the nearest hundred yen

4. Calculation of unit charge adjustment

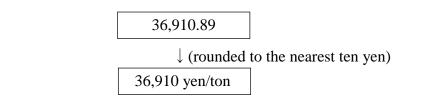
Calculation of unit charge adjustment for gas resource costs

*Calculated based on 8% tax

•Calculation of average gas resource prices

Average LNG price	36,900 yen/ton	x 0.9479
(customs clearance statistics value)		
Average LPG price	35,410 yen/ton	x 0.0546
(customs clearance statistics value)		

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•Calculation of the amount of gas resource price fluctuation

36,9100 ye	en/ton	- 57,250 yen/ton	=	-20,340 yen/ton	
		(omis	sion	of amounts less than	100 yen)
				\downarrow	
				-20,300 yen/ton	
•Calculation of th	e adjusted i	rate (charge per c	ubic	meter)	
Adjusted rate=	-20,300) yen / 100 yen x 0.08748 (*)			
(unit charge)					
=	-17.76	yen (roun	ding	up of amounts less that	an 0.01 yen)
	L				

*:The unit commodity charge is adjusted by $0.08748(0.081 \times 1.08)$ yen per cubic meter for every 100 yen of fluctuation

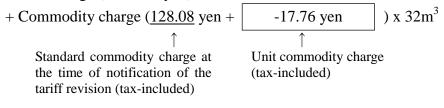
* Effect on a standard customer in residential sector

			yen/month
Monthly consumption volume of 32 cubic meters(45MJ/m ³)	Charge applied for December 2016	Charge applied for January 2017	Change
Including the national consumption tax	4,530	4,567	37

*Method of calculation for the standard gas rate in residential sector (including the national consumption tax)

Gas rate (Tokyo district, etc., tax included, rounded down to the nearest yen)

= Basic charge (1,036.80 yen)



Reference: Outline of the gas resource cost adjustment scheme

- * The scheme provides for adjustment of the unit commodity charge in gas rates (i.e., the charge per cubic meter of gas consumed) every month in correspondence with fluctuation in gas resource prices owing to factors such as exchange rates and crude oil prices.
- * The unit commodity charge is adjusted by 0.08748 yen per cubic meter (0.081 multiplied by 1.08(consumption tax)) for each 100 yen of fluctuation in gas resource price, based on the difference between the standard average gas resource price (57,250 yen per ton) and average gas resource price (calculated on the basis of weighted average cost of LNG and LPG import prices in the previous 3-5 months).
- * The fluctuation in gas resource prices is calculated on the basis of actual values in customs clearance statistics for both LNG and LPG.
- * Arrangement has been made to avoid price hike.

Even if the average gas resource price exceeds the upper limit of 91,600 yen, the amount of 91,600 yen is applied in the calculation of the gas rate adjustment.